

## OVERSIGHT BOARD AGENDA STAFF REPORT

**TO:** Honorable Chair and Members of the Oversight Board

**FROM:** Michael Huntley, Staff liaison from the Successor Agency to the former City of Montebello Community Redevelopment Agency

**SUBJECT:** That the Oversight Board consider the adoption of the Low and Moderate Income Housing Fund Due Diligence Review (Housing Audit).

**DATE:** October 9, 2012

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### **BACKGROUND**

The Montebello Successor Agency (“**Successor Agency**”) is required to undertake a number of actions pursuant to Part 1.85 of the Community Redevelopment Law (commencing with Health & Safety Code Section 34170), including winding down the affairs of the former Community Redevelopment Agency of the City of Montebello.

Pursuant to Health & Safety Code Section 34179.5, the Successor Agency must complete certain audits and reviews of its funds and assets, including but not limited to a due diligence review of its Low and Moderate Income Housing Fund (the “**Low-Mod DDR**”).

Pursuant to Health & Safety Code Section 34179.6(a), by October 1, 2012, the results of the Successor Agency’s Low-Mod DDR must be provided to the City of Montebello Oversight Board (“**Oversight Board**”) and other public agencies.

Pursuant to Health & Safety Code Section 34179.6(b), upon receipt of the Low-Mod DDR, the Oversight Board must convene a public comment session to take place at least five business days before the Oversight Board votes on whether to approve or reject the Low-Mod DDR.

On September 26, 2012, the Successor Agency directed staff to provide the results of its Low-Mod DDR (Housing Audit) to the Oversight Board.

On September 27, 2012, the Montebello Oversight Board received the low and moderate income housing fund due diligence review (Housing Audit), convened a public comment session and set the subsequent meeting to vote on said matter for October 9, 2012. At the meeting, Oversight Board members identified a number of issues in the report that needed to be addressed. Staff has since contacted Vasquez and Company, LLP the accounting firm that prepared the draft report and requested that edits be made to the draft report. Those changes were made and the report has been signed.

On October 1, 2012, staff of the Successor Agency forwarded the Housing Audit to the Los Angeles County Auditor-Controller, the State Department of Finance and the State Controller.

## **DISCUSSION**

The intent of this Special Meeting is for the Oversight Board to receive and consider for adoption the low and moderate income housing fund due diligence review (Housing Audit). As the Oversight Board is aware, Successor Agency staff is working through the Due Diligence Review procedures as required in AB1484. At the last meeting, Oversight Board members identified a number of issues in the report that needed to be addressed. Staff has since contacted Vasquez and Company, LLP the accounting firm that prepared the draft report and requested that edits be made to the draft report. Those changes were made and the report has been signed. Staff has attached the Final Housing Audit for consideration by the Oversight Board.

## **RECOMMENDATION**

It is staff's recommendation that the Oversight Board approve the Low and Moderate Income Housing Fund Due Diligence Review (Housing Audit) and direct staff to forward the Final Housing Audit to the Los Angeles County Auditor-Controller, the State Department of Finance and the State Controller.

## **ATTACHMENTS**

Resolution

## **EXHIBITS**

Final Housing Audit